

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

June 30, 2007

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DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education (Before September, 2006 Election)		
Patricia Wright	President	2006
Douglas Rothfus	Vice President	2008
William Knoll	Board Member	2006
Dave Eilers	Board Member	2007
Angela Glasgow	Board Member	2007
Leann Goldsmith	Board Member	2008
Kathie Hicok	Board Member	2008

Board of Education (After September, 2006 Election)

Douglas Rothfus	President	2008
Leann Goldsmith	Vice President	2008
Dave Eilers	Board Member	2007
Angela Glasgow	Board Member	2007
Kathie Hicok	Board Member	2008
Scott Brown	Board Member	2009
Del Gustafson	Board Member	2009

School Officials

Gary Sinclair	Superintendent	2007
Michelle Wearmouth	District Secretary/Treasurer and Business Manager	2007
Ralph Brown	Attorney	Indefinite
Ahler's Law Firm	Attorney	Indefinite



Independent Auditor's Report

To the Board of Education
Dallas Center-Grimes Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Dallas Center-Grimes Community School District, Dallas Center-Grimes, Iowa, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Dallas Center-Grimes Community School District at June 30, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 24, 2007 on our consideration of Dallas Center-Grimes Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 5 through 17 and 46 through 48 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dallas Center-Grimes Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2006 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Van Maanen & Associates, P.C.

Van Maanen & Associates, P.C.
Certified Public Accountants

September 24, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Dallas Center - Grimes Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2007. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

This is the fourth year since implementing new reporting standards with significant changes in content and structure, and some of the information is not easily comparable to prior years. However, in future years, comparisons will be more meaningful and will go further in explaining the District's financial position and results of operations. In many summary sections, management has added references to financial data and situations of some previous years to assist with understanding data since the FY 2004 transition year.

Financial Highlights

- ◆ General Fund revenues increased from \$11,892,519 in fiscal 2006 to \$13,034,440, while General Fund expenditures increased from \$11,807,585 in fiscal 2006 to \$12,781,020 in fiscal 2007. This resulted in an increase of \$253,420 in the District's General Fund balance from \$1,749,570 in fiscal 2006 to \$2,002,990.
- ◆ The increase in General Fund revenues was primarily attributable to an increase in open enrollment received from other school districts of \$81,181, and increased receipts of state aid and instructional support of \$212,391 attributable to increased student count and allowable growth. Teacher quality/mentoring and market factor programs increased \$128,371 over the previous year.
- ◆ The increase in General Fund expenditures was primarily attributable to an increase in the negotiated salary and benefits. There were 1.7 teaching positions added due to increase student count which also affect the salary and benefit expenditures. As student numbers increase, instructional supply expenditures increased as well.
- ◆ A decline in interest rates during the past four fiscal years has resulted in a decline in interest received annually despite a growing fund balance to be invested. However, as the general fund balance continues to grow, more interest earnings are seen. Interest received in the general fund for the past six years is: \$100,379 in FY02, \$80,753 in FY03, \$48,734 in FY04, \$103,238 in FY05, \$109,147 in FY06, and \$131,702 in FY06.

Overview of the Financial Statements

This report consists of three parts: management’s discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- ◆ The first two statements are *government-wide financial statements* that provide both short-term and long-term information about the District’s overall financial status.
- ◆ The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District’s operations in more detail than the District-wide statements.
- ◆ The statements for *governmental funds* explain how basic services, such as regular and special education, were financed in the short term as well as what remains for future spending.
- ◆ The statements for *proprietary funds* offer short-term and long-term financial information about the activities the District operates like businesses, such as food services.
- ◆ The statements for *fiduciary funds* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year.

Figure A-1 shows how the various parts of this report are arranged and relate to one another.

Figure A-1 DC-G Community School District Annual Financial Report

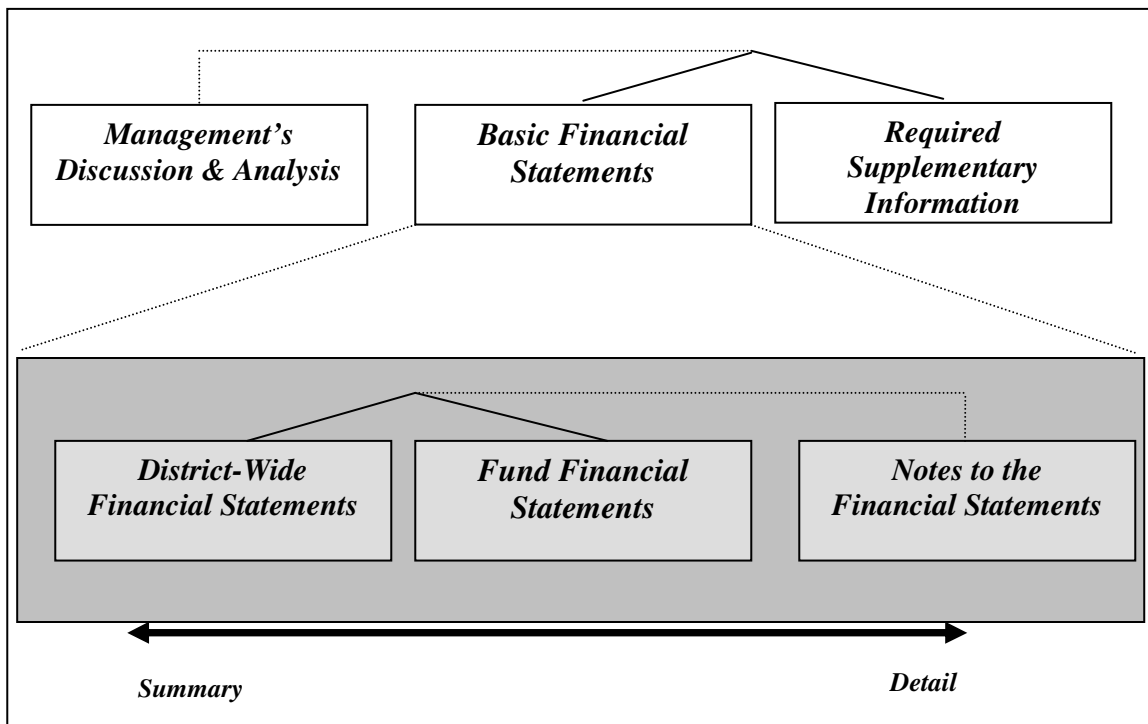


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2				
Major Features of the District-wide and Fund Financial Statements				
	District-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as the special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	* Statement of net assets * Statement of activities	* Balance sheet Statement of revenues, expenditures, and changes in fund balances	* Statement of revenues, expenses and changes in net assets * Statement of cash flows	* Statement of fiduciary net assets * Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year; or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid
Common names of district funds included	All funds with the exception of scholarship funds	General, PPEL, Management, Schoolhouse, Student Activity, Debt Service, Capital Projects	Nutrition Fund, Farm Enterprise Account	Burnett Scholarship, Brewer Scholarship, Anderson Scholarship

District-wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two Government-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or position.

To assess the District's overall health, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

Review of DC-G Property Tax Valuations by Year			
Year	Taxable Valuation without TIF	Increase over previous year	Percent of increase
FY2001	270,537,874	34,145,130	12.62%
FY2002	337,471,923	66,934,049	19.83%
FY2003	354,464,375	16,992,452	4.79%
FY2004	361,420,196	6,955,821	1.96%
FY2005	383,341,568	21,921,372	6.07%
FY2006	418,254,246	34,912,678	9.11%
FY2007	453,208,099	34,953,853	8.36%

Dallas Center – Grimes Facilities – Age	
Dallas Center – Grimes Elementary, Grimes	Opened 8-1-1988
Dallas Center – Grimes Elementary, Dallas Center	Opened 1-1-2002
Dallas Center – Grimes Middle School, Dallas Center	Opened 8-1-2004
Dallas Center – Grimes High School, Grimes	Opened 8-1-2002
Dallas Center – Grimes Auditorium addition, Grimes	Opened 9-1-2005
Dallas Center – Grimes Sports Complex, Grimes	Final phase complete 9-1-2006

In the District-wide financial statements, the District's activities are divided into two categories:

- ◆ *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- ◆ *Business-type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- ◆ Some funds are required by state law and by bond covenants.
- ◆ The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has three kinds of funds:

- ◆ Governmental funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental fund statements explains the relationship or differences between the two statements.



The District's governmental funds include the General Fund, Debt Service Fund, Capital Projects Funds, and Special Revenue funds such as the Student Activity fund, Management fund, and PPEL fund.

- ◆ Proprietary Funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements.



The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District's enterprise funds include the School Nutrition Fund and the Farm Enterprise Fund.

- ◆ Fiduciary Funds: The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-purpose Trust and Agency funds.



Private-Purpose Trust Fund – The District accounts for outside donations for scholarships for individual students in this fund. There are currently three scholarship trust funds: Burnett Scholarship, Brewer Scholarship, Anderson Scholarship and Bowersox Scholarship funds.



Agency Fund- These are funds for which the District administers and accounts for certain federal and/or state grants on behalf of other Districts and certain revenue collected for District employee purchases. The District has only one Agency fund which holds employee funds contributed by employees through payroll for use in the Medical and Dependent Care Flexible Spending Program.

The District is responsible for ensuring that the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

(b) – (c) Financial Analysis of the District as a Whole

Net assets – Figure A-3 below provides a summary of the District’s net assets for the year ended June 30, 2007 compared to 2006.

Figure A-3							
Condensed Statement of Net Assets							
(Expressed in Thousands)							
	Governmental Activities		Business type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2007	2006	2007	2006	2007	2006	2006-2007
Current and other assets	\$ 18,417	18,371	89	109	18,506	18,480	0.1%
Capital assets	30,828	30,183	202	228	31,030	30,411	2.0%
Total assets	49,245	48,554	291	337	49,536	48,891	1.3%
Long-term liabilities	26,402	27,500	-	-	26,402	27,500	-4.0%
Other liabilities	8,330	7,559	12	-	8,342	7,559	10.4%
Total liabilities	34,732	35,059	12	-	34,744	35,059	-0.9%
Net assets:							
Invested in capital assets, net of related debt	10,171	10,267	202	228	10,373	10,495	-1.2%
Restricted	2,464	1,583	-	-	2,464	1,583	55.7%
Unrestricted	1,878	1,645	77	109	1,955	1,754	11.5%
Total net assets	\$ 14,513	13,495	279	337	14,792	13,832	6.9%

The lower percentage of increase in capital assets in the governmental funds occurred in conjunction with the increase in current or other assets as a result of unspent bond proceeds to be expended as construction funds for the new elementary. Long-term liabilities decreased as a result of payments made and refinancing of bond liabilities.

Figure A-4 shows the change in net assets for the year ended June 30, 2007.

Figure A-4						
Changes in Net Assets						
(Expressed in Thousands)						
	Governmental Activities		Business Type Activities		Total District	
	Year ended June 30,		Year ended June 30,		Year ended June 30,	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for service	\$ 1,516	1,262	623	581	2,139	1,843
Operating grants, contributions and restricted interest	1,421	1,139	160	151	1,581	1,290
General revenues:						
Property tax	7,487	6,834	-	-	7,487	6,834
Local option sales and service tax	1,595	1,473	-	-	1,595	1,473
Unrestricted state grants	5,483	5,294	-	-	5,483	5,294
Unrestricted investment earnings	527	175	3	3	530	178
Other	107	77	-	-	107	77
Total revenues	18,136	16,254	786	735	18,922	16,989
Program expenses:						
Governmental activities:						
Instruction	9,543	8,378	-	-	9,543	8,378
Support services	4,650	4,246	-	-	4,650	4,246
Non-instructional programs	-	-	844	741	844	741
Other expenses	2,925	1,514	-	-	2,925	1,514
Total expenses	17,118	14,138	844	741	17,962	14,879
Other financing sources, net	-	-	-	-	-	-
Change in net assets	\$ 1,018	2,116	(58)	(6)	960	2,110

Property tax, sales and service tax, and unrestricted state grants account for 80% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 83% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$18,135,894 and expenses were \$17,118,095.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses.

Figure A-5		
Total and Net Cost of Governmental Activities		
(Expressed in Thousands)		
	Total Cost of Services	Net Cost of Services
Instruction	\$ 9,543	7,136
Support services	4,650	4,603
Other expenses	2,925	2,442
Totals	\$ 17,118	14,181



The cost financed by users of the District's programs was \$1,516,026.



Federal and state government subsidized certain programs with grants and contributions totaling \$1,421,211



The net cost of governmental activities was financed with \$9,082,518 in property and other taxes and \$5,482,438 in unrestricted state grants.

Business Type Activities

Revenues for business type activities were \$785,900 and expenses were \$844,080.48. The District's business type activities include the School Nutrition Fund and Farm Enterprise Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

During the year ended June 30, 2007, the District did not increase meal prices. The District continues to contract food services with Taher, Incorporated of Minnesota.

INDIVIDUAL FUND ANALYSIS

As previously noted, Dallas Center-Grimes Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its government funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$10,862,934. The previous year, governmental funds reported a combined fund balance of \$10,155,457 which included unexpended construction funds for the elementary construction project.

Governmental Fund Highlights



The district general fund balance increased slightly in FY07. The general fund undesignated, unreserved fund balance increased from \$1,749,570 in FY06 to \$2,002,990. The district's goal was to maintain a steady fund balance in the general fund. The district's targeted financial solvency rate is 10-15%. The solvency ratio was 13.7%.








DC-G has experienced enrollment growth, which has allowed for additional dollars to fund programs. This has allowed some of the increased cost to be covered by new funds. Significant student growth within a single year may inhibit the district's ability to maintain a constant property tax rate.



Over the past six years the net impact of open enrollment has been very positive for DC-G. There is net \$554,850 more available for funding programs within our district. This is a increase of \$135,221 in net open enrollment over the previous year, however increased student enrollment requires additional instructional expense.



In 2001-02, DC-G implemented an instructional levy. In 2001-02, the instructional levy was 3%, in 2002-03 it was 7%, and since 2003-04 this levy has been at the maximum 10%. Prior to 2004-05, the district elected not to commit all the instructional levy dollars to spending in the same year. However, in the 2004-05, 2005-06 and 2006-07 fiscal years, the full instructional support levy amount was committed to current year spending.

-  The district has implemented an extensive at-risk program, now at the maximum funding level. This has provided funding for some of the additional staff needed in the district, and has allowed the regular operating budget to absorb other increases.
-  The district's administrative team and school board closely monitor monthly revenue and expenditures. The board has intentionally decided not to commit funds beyond a certain level which helps maintain a relatively constant fund balance.
-  The Physical Plant and Equipment Levy (PPEL) fund balance increased from \$150,517 at the end of FY06 to \$1,229,391 at the end of FY07. The increase correlated with the increased revenues due to voter-approved PPEL levy beginning in the 2006-07 fiscal year. Funds were spent primarily on school bus purchases, carpet replacement, and other district repairs and maintenance.
-  The Capital Projects funds decreased from \$7,424,423 at the end of FY06 to \$5,568,015 at the end of FY07. The bond funded for the newest bond approved by the public April 11, 2006 for a new elementary school were funded and reserved in the fund balance during FY06 and began to be expended in 2006-07. Local option sales tax funds accumulated during the 2006-07 fiscal year to be utilized for future projects, as well.
-  The Management fund balance decreased from \$553,574 at FY06 year end to \$405,806 at June 30, 2007. The district continues to rebuild the fund balance of the management fund which was depleted in FY00 when no funds were levied and the fund balance was diminished. The fund balance is held in reserve in part due to high deductible option selected with our worker's compensation insurance.

Proprietary Fund Highlights

School Nutrition cash/investments and inventories decreased from \$102,600 at June 30, 2006 to \$85,302 at June 30, 2007. The Farm account cash/investments decreased from \$7,133 at the close of FY06 to \$3,886 at the close of FY07, and it is noted that this balance will continue to decline as farm rental has ceased.

BUDGETARY HIGHLIGHTS

Over the course of the year, Dallas Center - Grimes Community School District closely monitored the published budget. Budget amendments were needed in this fiscal year in three functional areas. The instructional area published budget was amended from \$8,662,733 to \$9,112,733 due to increased staffing and increased student numbers. The non-instructional programs area was increased from \$635,100 to \$960,100 due to increased sales and consumption in the school nutrition program.

The total other expenditures area was decreased from \$9,452,346 to \$8,677,346 due to less spending needed within the fiscal year. In a district with continuing growth and rapidly expanding facilities, improved projections on the increased cost related to growth must be included in the published budget.

The District's receipts were \$59,743 less than budgeted receipts, a variance of approximately .0003%.

Total expenditures were under amended published projections. It is the district's practice to budget expenditures at a maximum authorized spending authority for funds, yet to manage and control the spending through the line-item budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2007, the District had invested \$31.0 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 2% from last year. More detailed information about the District's capital assets is presented in Note 4 to the financial statements. Depreciation expense for the year was \$965,047.

Figure A-6 Capital Assets, net of Depreciation (Expressed in Thousands)							
	Governmental Activities		Business type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2007	2006	2007	2006	2007	2006	2006-2007
Land	\$ 1,755	1,462	-	-	1,755	1,462	20.0%
Construction in progress	1,278	612	-	-	1,278	612	108.8%
Buildings	25,685	26,332	-	-	25,685	26,332	-2.5%
Improvements other than buildings	965	1,012	-	-	965	1,012	-4.6%
Furniture and equipment	1,145	765	202	228	1,347	993	35.6%
Totals	\$ 30,828	30,183	202	228	31,030	30,411	2.0%

The largest change in capital asset activity occurred in the construction in progress category as construction begins on the new elementary school in Grimes.

Long Term Debt

At June 30, 2007, the District has \$26,401,527 in general obligation, revenue and other long-term debt outstanding. This represents a decrease of approximately 4% percent from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 5 of the financial statements.




Figure A-7 Outstanding Long-Term Obligations (Expressed in Thousands)			
	Total District		Total Change
	June 30,		June 30,
	2006	2006	2006-2007
General obligation bonds	\$ 24,055	24,865	-3.3%
Revenue bonds	1,370	2,475	-44.6%
Capital loan notes	800	-	
Early retirement	177	160	10.6%
Totals	\$ 26,402	27,500	-4.0%













On April 11, 2006, the District's voters authorized the issuance of \$6,500,000 in general obligation bonds to pay for construction and furnishing an additional elementary building. On the same ballot, the District's voters adopted a public measure authorizing a ten year physical plant and equipment levy not to exceed \$1.34 per thousand of assessed valuation commencing with the collection for fiscal year 2006-07. The following reviews recent bonding and construction:

October 19, 1999	Bond issue 9.75 million for purchase of Rhinehart land, purchase of Meadows land & build/furnish high school on Meadows land 1.26 million bond sold to begin construction and make land purchases	(Levy A only) Pass Levy B - Fail
November 23, 1999	Passage of the Polk County Local Option Sales Tax Revenue bond 4.9 million for the construction of DC elementary sold on October 17, 2000	Pass
December 7, 1999	Levy B raising funds to levy at the \$4.05 mark for the \$9.75 million dollar bond issue. 9.985 GO bond sold which was remaining dollars authorized Oct. 19, 1999 and refinance Grimes elementary bond	Pass
July 16, 2002	Bond issue \$6.4 million for construction, renovation, and furnishing a new middle school in Dallas Center	Pass
March 25, 2003	Passage of the Dallas County Local Option Sales Tax Primarily used for Sports Complex construction	Pass
March 19, 2004	Began Phase One of Sports Complex project funded with Local Option Sales and Service dollars. Phase one completed October 18, 2004. Phase two to be completed October 2005.	
March 30, 2004	Bond issue 3.0 million for construction and furnishing of auditorium addition to the high school. Expected completion October 2005.	Pass
April 11, 2006	Bond issue 6.5 million for site acquisition, construction and furnishing a new elementary school	Pass
April 11, 2006	Passage of voter-approved PPEL Levy not to exceed \$1.34/\$1,000	Pass

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances which may affect financial health in the future:

-  The district continues to experience enrollment growth. The district's population is currently estimated at 7,080 which is approximately 6% growth over the 2000 census, and over 70% growth since the 1990 census.
-  Unemployment for the area is lower than state average by more than 1%. New businesses continue to locate within the district. Pioneer Hybrid has moved its gene research lab to Dallas Center. Several businesses have located on the Highway 141 and the I-35/I-80 corridor.
-  Along with growth, transportation needs to transport students to school locations continues to grow. The district has purchased two new buses during the last year, and two used buses. The district will need to maintain a level of at least two bus purchases in the future which has been included in the district ten-year PPEL planning.

-  The district has a limited transportation facility at this time, and with a growing fleet the need for a central location to store and perform maintenance on the fleet increases. An agreement for the purchase of land for a transportation facility has been reached and will move forward in the upcoming year. The District will need to locate central storage and warehousing, and it may be feasible to combine a bus storage and maintenance facility with central warehousing at this location. Although the land will be purchased in 2007-08 using LOSST funds, the project will not be completed until 2009-10, using PPEL funding.
-  Fiscal 2007 was the first year of a two-year contract with the Dallas Center-Grimes Education Association. The Board is working to increase teachers' salaries to be more comparable to the metro area, giving teachers 75% of new money for the 2007-08 school year.
-  For the district's most recent bond, the bond rating was issued by Moody's Investing Service for the third time. The rating is A3.
-  Over the past seven years, the district net open enrollment in and out number has improved dramatically. The district will need to be careful of funding ongoing expenditures with funds as variable as open enrollment. The district needs to continue to foster open enrollment to the extent that facility allow.
-  In the January 1, 2004 assessment of property, agricultural land fell by over 30% which had a significant impact upon growth in the 04-05 budget. This decrease, and the several years it will take to build back to where taxable agricultural land was previously, will have an impact on the district's bonding capacity, PPEL funding, and all funds tax rates.
-  In the January 1, 2007 assessment of District taxable valuation, property values increased by 8.36%. Although the District has seen valuation increases of greater than 14% in previous years, a five-year rolling average is being used to plan for growth when projecting ability to bond in the future.
-  Area cities continue to discuss and use TIF as means of supporting development. All TIF, but especially residential TIFs will have a negative impact on property tax rate. The district must continue to monitor and oppose TIFs that negatively impact the district.
-  In the Grimes area, 4-5 large housing developments are open. The number of houses that are built annually will impact the district's general fund and need for additional facilities. The recent rate of growth will allow for a manageable transition to additional facilities, but accelerated rates of growth will greatly stress current facilities. The district continues to monitor growth of residential housing by monitoring the number of building permits granted.
-  The district has grown an average of 32 students per year for the past ten years. The district experienced record growth in the 2007-08 school year increasing by 128 students. Although this level of growth is not planned for the future, it is prudent for the district to plan for growth of 50 to 75 students per year.
-  To the south of the Grimes area, R&R Realty has begun construction of a projected \$300 million dollar business park within school boundaries. This development will significantly increase property valuation, and will be the workplace of nearly one-thousand employees. This development may have an impact upon the enrollment of the District. Unfortunately, the area is a TIF area so general fund valuation will not grow with the development. Marsh Advantage, a major insurance employer, will occupy a building in this park in the spring of 2008. This will be the second large office building in this park.
-  The district currently has a LOSST from Dallas and Polk Counties. How these two sales tax sources blend, depending on the impact one has on the other, will impact LOSST dollars available for facility needs. The recently filed lawsuit relating to LOSST and funding equity, may impact the district in the future. Although the IASB proposed statewide LOSST plan will help address the issues of this law suit and provide some property tax equalization, it will not provide any property tax relief for DC-G.
-  The district is nearly three-quarters of the way through the Polk County ten-year LOSST. This support has been valuable to the district. The continuation of this tax will be critical to the district. It is important to note that the passage of a new Polk County Local Option Sales and Service tax is unlikely. The District continues to attempt to work with other Iowa school districts across the state to support legislation to support a state-wide local option sales tax.

-  Although current facilities are in great condition, there has been an increasing need for annual facility maintenance funds, as district facilities are no longer under warranty and start to age. Much of the increased cost is associated with managing increased technology in our mechanical and electrical systems. The voters of the District approved a voted-PPEL levy to help meet the annual facility maintenance needs.
-  The rapid addition of facilities has been fostered by significant residential and commercial taxable valuation growth. A decrease in this rate of growth will likely have an impact on the district property tax rate. Although district enrollment growth has been manageable, rates of growth similar to other area districts will result in a significant impact upon facilities and in the property tax rate.
-  With the current rate of enrollment growth, it was determined construction for a new elementary facility was needed. A 6.5 million dollar bond issue was passed in April 2006, with the project starting in the spring of 2007. The building will be opened in August 2008. This building should provide classroom space for elementary enrollment growth for at least 3-5 years.
-  A new housing development in Dallas Center which began in Fiscal 05-06 with low to moderate sales may help to reverse the trend of declining enrollment in the Dallas County portion of the district. As of the fall of 2007, the development has made little progress.
-  Ongoing discussions of revisions to Highway 44, Highway 141, and the construction of a north/south bypass and/or an east/west bypass will impact the commercial and residential growth of Grimes.
-  Energy costs continue to be an increasing portion of the district's budget. As energy costs increase, these costs will have to be covered by new funding, or by reprioritization of the current funding. Diesel fuel costs have risen nearly 33% over the course of two years. The district has undertaken a \$1,100,000 project over a three-year period to upgrade mechanical and electrical systems. Most of the elements of this project are energy conservation related, which should help lower energy cost in the future. This project is being funded by a five-year PPEL bond and annual revenue.
-  In the fall of 2007, Wal-Mart, Incorporated announced the opening of a new store in the City of Grimes. Although the new store will be just outside the district's boundaries, it may have a significant impact on the commercial and retail development in that area and in other areas in the City of Grimes. Additionally, retail trade and job opportunities may have an impact on housing and student enrollment growth.
-  In the fall of 2007, YMCA announced an opening of a new facility in the City of Grimes. Although the new facility will be just outside the district's boundaries, it may have a significant impact on the commercial and retail development in that area and in other areas in the City of Grimes. Additionally, retail trade, job opportunities, and community amenities may have an impact on housing and student enrollment growth.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Michelle Wearmouth, Business Manager at Dallas Center-Grimes Community School District, P.O. Box 512, Dallas Center, Iowa 50063.

Basic Financial Statements

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2007

	Governmental Activities	Business type Activities	Total
Assets			
Cash and pooled investments			
Other	\$ 10,036,209	68,345	10,104,554
Receivables:			
Property tax:			
Delinquent	41,115	-	41,115
Succeeding year	7,328,824	-	7,328,824
Accounts	5,999	-	5,999
Due from other governments	229,086	-	229,086
Inventories	-	20,843	20,843
Deferred bond costs	775,667	-	775,667
Capital assets, net of accumulated depreciation	30,827,696	202,196	31,029,892
Total assets	49,244,596	291,384	49,535,980
Liabilities			
Accounts payable	670,354	12,487	682,841
Salaries and benefits payable	210,719	-	210,719
Accrued interest payable	120,190	-	120,190
Deferred revenue:			
Succeeding year property tax	7,328,824	-	7,328,824
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	1,005,000	-	1,005,000
Revenue bonds payable	558,915	-	558,915
Capital loan note payable	145,000	-	145,000
Early retirement	51,546	-	51,546
Portion due after one year:			
General obligation bonds payable	23,050,000	-	23,050,000
Revenue bonds payable	811,299	-	811,299
Capital loan note payable	655,000	-	655,000
Early retirement	124,767	-	124,767
Total liabilities	34,731,614	12,487	34,744,101
Net assets			
Invested in capital assets, net of related debt	10,170,497	202,196	10,372,693
Restricted for:			
Management levy	405,806	-	405,806
Physical plant and equipment levy	1,229,391	-	1,229,391
Debt service	676,725	-	676,725
Other special revenue purposes	152,340	-	152,340
Unrestricted	1,878,223	76,701	1,954,924
Total net assets	\$ 14,512,982	278,897	14,791,879

See notes to financial statements.

Exhibit B

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year ended June 30, 2007

	Program Revenues		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest
Functions/Programs			
Governmental activities:			
Instruction:			
Regular instruction	\$ 5,862,862	927,869	579,102
Special instruction	2,011,618	118,890	273,764
Other instruction	1,668,500	469,267	37,657
	<u>9,542,980</u>	<u>1,516,026</u>	<u>890,523</u>
Support Service:			
Student services	315,711	-	-
Instructional staff services	725,120	-	-
Administration services	1,156,612	-	-
Operating and maintenance of plant services	1,706,955	-	33,048
Transportation services	745,495	-	14,078
	<u>4,649,893</u>	<u>-</u>	<u>47,126</u>
Other expenditures:			
Facilities acquisition	1,255,497	-	-
Long-term debt interest	1,186,163	-	-
AEA flowthrough	483,562	-	483,562
	<u>2,925,222</u>	<u>-</u>	<u>483,562</u>
Total governmental activities	17,118,095	1,516,026	1,421,211
Business type activities:			
Non-instructional programs:			
Nutrition services	840,429	622,651	159,479
Farm account	3,651	404	-
	<u>844,080</u>	<u>623,055</u>	<u>159,479</u>
Total primary government	<u>\$ 17,962,175</u>	<u>2,139,081</u>	<u>1,580,690</u>

Exhibit B

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business Type Activities	Total
(4,355,891)	-	(4,355,891)
(1,618,964)	-	(1,618,964)
(1,161,576)	-	(1,161,576)
(7,136,431)	-	(7,136,431)
(315,711)	-	(315,711)
(725,120)	-	(725,120)
(1,156,612)	-	(1,156,612)
(1,673,907)	-	(1,673,907)
(731,417)	-	(731,417)
(4,602,767)	-	(4,602,767)
(1,255,497)	-	(1,255,497)
(1,186,163)	-	(1,186,163)
-	-	-
(2,441,660)	-	(2,441,660)
(14,180,858)	-	(14,180,858)
-	(58,299)	(58,299)
-	(3,247)	(3,247)
-	(61,546)	(61,546)
(14,180,858)	(61,546)	(14,242,404)

Exhibit B

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year ended June 30, 2007

	Program Revenues		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest
Totals from previous page	\$ 17,962,175	2,139,081	1,580,690
General Revenues:			
Property tax levied for:			
General purposes			
Debt service			
Capital outlay			
Local option sales and services tax			
Unrestricted state grants			
Unrestricted investment earnings			
Other			
Gifts to Dallas Center-Grimes Community School District			
Total general revenues			
Change in net assets			
Net assets beginning of year, as restated			
Net assets end of year			

See notes to financial statements.

Exhibit B

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business Type Activities	Total
(14,180,858)	(61,546)	(14,242,404)
5,058,324	-	5,058,324
1,866,270	-	1,866,270
562,828	-	562,828
1,595,096	-	1,595,096
5,482,438	-	5,482,438
526,511	3,366	529,877
97,794	-	97,794
9,396	-	9,396
15,198,657	3,366	15,202,023
1,017,799	(58,180)	959,619
13,495,183	337,077	13,832,260
\$ 14,512,982	278,897	14,791,879

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007

	General	Debt Service	Capital Projects	Physical Plant and Equipment Levy	Nonmajor Special Revenue	Total
Assets and Other Debits						
Cash and pooled investments						
Other	\$ 2,252,074	10,291	5,960,325	1,202,960	610,559	10,036,209
Receivables:						
Property tax:						
Current year delinquent	26,435	10,957	-	2,893	830	41,115
Succeeding year	5,297,246	1,080,661	-	625,917	325,000	7,328,824
Accounts	5,999	-	-	-	-	5,999
Due from other governments	85,584	-	110,454	33,048	-	229,086
Deferred bond costs	-	775,667	-	-	-	775,667
Total assets and other debits	\$7,667,338	1,877,576	6,070,779	1,864,818	936,389	18,416,900
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 156,383	-	502,764	9,510	1,697	670,354
Salaries and benefits payable	210,719	-	-	-	-	210,719
Early retirement payable	-	-	-	-	51,546	51,546
Deferred revenue:						
Succeeding year property tax	5,297,246	1,080,661	-	625,917	325,000	7,328,824
Total liabilities	5,664,348	1,080,661	502,764	635,427	378,243	8,261,443
Fund balances:						
Reserved for:						
Debt service	-	796,915	-	-	-	796,915
Other	55,608	-	-	-	-	55,608
Unreserved:						
Designated for special purposes by the Board	150,000	-	-	-	-	150,000
Undesignated	1,797,382	-	5,568,015	1,229,391	558,146	9,152,934
Total fund balances	2,002,990	796,915	5,568,015	1,229,391	558,146	10,155,457
Total liabilities and fund balances	\$7,667,338	1,877,576	6,070,779	1,864,818	936,389	18,416,900

See notes to financial statements.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS
 June 30, 2007

Total fund balances of governmental funds (Exhibit C) \$ 10,155,457

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.

30,827,696

Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.

(120,190)

Long-term liabilities, including bonds payable and early retirement, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.

(26,349,981)

Net assets of governmental activities (Exhibit A)

\$ 14,512,982

See notes to financial statements.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended June 30, 2007

	General	Debt Service	Capital Projects	Physical Plant and Equipment Levy	Non-major Special Revenue	Total
Revenues:						
Local sources:						
Local tax	\$ 4,904,316	1,866,270	1,595,096	562,828	154,008	9,082,518
Tuition	856,003	-	-	-	-	856,003
Other	402,291	7,857	377,359	15,092	489,251	1,291,850
State sources	6,618,813	471	-	135	39	6,619,458
Federal sources	253,017	-	-	33,048	-	286,065
Total revenues	13,034,440	1,874,598	1,972,455	611,103	643,298	18,135,894
Expenditures:						
Current:						
Instruction:						
Regular instruction	5,560,224	-	-	-	68,717	5,628,941
Special instruction	2,007,372	-	-	-	-	2,007,372
Other instruction	689,365	-	-	-	445,132	1,134,497
	8,256,961	-	-	-	513,849	8,770,810
Support services:						
Student services	313,631	-	-	-	-	313,631
Instructional staff services	641,692	-	-	-	-	641,692
Administration services	1,096,504	-	8,655	-	-	1,105,159
Operation and maintenance of plant services	1,412,453	-	-	59,630	229,252	1,701,335
Transportation services	576,217	-	-	88,579	20,003	684,799
	4,040,497	-	8,655	148,209	249,255	4,446,616
Other expenditures:						
Facilities acquisition	-	-	2,671,602	184,020	-	2,855,622
Long-term debt:						
Principal	-	3,419,786	-	-	-	3,419,786
Interest and fiscal charges	-	1,112,308	-	-	-	1,112,308
Bond issuance costs	-	59,667	-	-	-	59,667
AEA flowthrough	483,562	-	-	-	-	483,562
	483,562	4,591,761	2,671,602	184,020	-	7,930,945
Total expenditures	12,781,020	4,591,761	2,680,257	332,229	763,104	21,148,371
Excess (deficiency) of revenues over (under) expenditures	253,420	(2,717,163)	(707,802)	278,874	(119,806)	(3,012,477)
Other financing sources (uses):						
Bond proceeds	-	-	1,505,000	-	-	1,505,000
Capital loan note proceeds	-	-	-	800,000	-	800,000
Interfund transfer	-	2,653,606	(2,653,606)	-	-	-
Total other financing sources (uses)	-	2,653,606	(1,148,606)	800,000	-	2,305,000
Net change in fund balances	253,420	(63,557)	(1,856,408)	1,078,874	(119,806)	(707,477)
Fund balances beginning of year, as restated	1,749,570	860,472	7,424,423	150,517	677,952	10,862,934
Fund balances end of year	\$ 2,002,990	796,915	5,568,015	1,229,391	558,146	10,155,457

See notes to financial statements.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 Year ended June 30, 2007

Net change in fund balances - total governmental funds (Exhibit E) \$ (707,477)

***Amounts reported for governmental activities in the
 statement of activities are different because:***

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlays	\$ 1,610,125	
Depreciation expense	<u>(965,047)</u>	645,078

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets.

3,419,786

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

(14,188)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Early retirement	(20,400)
------------------	----------

Proceeds of long-term debt provide current financial resources to governmental funds but increase long-term liabilities in the Statement of Net Assets.

(2,305,000)

Change in net assets of governmental activities (Exhibit B)

\$ 1,017,799

See notes to financial statements.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2007

	<u>Enterprise Funds</u>
Assets	
Cash and cash equivalents	\$ 68,345
Inventories	20,843
Capital assets, net of accumulated depreciation	<u>202,196</u>
Total assets	<u>291,384</u>
Liabilities	
Accounts payable	<u>12,487</u>
Total liabilities	<u>12,487</u>
Net assets	
Invested in capital assets, net of related debt	202,196
Unrestricted	<u>76,701</u>
Total net assets	<u>\$ 278,897</u>

See notes to financial statements.

Exhibit H

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year ended June 30, 2007

	<u>Enterprise Funds</u>
Operating revenues:	
Local sources	
Charges for service	<u>\$ 623,055</u>
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries and benefits	66,669
Benefits	23,324
Purchased services	680,590
Supplies	43,150
Depreciation	26,696
	<u>840,429</u>
Farm rental operations:	
Supplies	<u>3,651</u>
Total operating expenses	<u>844,080</u>
Operating loss	<u>(221,025)</u>
Non-operating revenues:	
State sources	7,756
Federal sources	151,723
Local sources	3,366
Total non-operating revenues	<u>162,845</u>
Changes in net assets	(58,180)
Net assets beginning of year	<u>337,077</u>
Net assets end of year	<u><u>\$ 278,897</u></u>

See notes to financial statements.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year ended June 30, 2007

	Enterprise Funds
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 618,423
Cash received from miscellaneous operating activities	4,632
Cash payments to employees for services	(89,993)
Cash payments to suppliers for goods or services	(679,595)
Net cash used by operating activities	<u>(146,533)</u>
Cash flows from non-capital financing activities:	
State grants received	7,756
Federal grants received	111,284
Net cash provided by non-capital financing activities	<u>119,040</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(1,406)</u>
Cash flows from investing activities:	
Interest on investments	<u>3,366</u>
Net decrease in cash and cash equivalents	(25,533)
Cash and cash equivalents at beginning of year	<u>93,878</u>
Cash and cash equivalents at end of year	<u><u>\$ 68,345</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (221,025)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Commodities used	40,439
Depreciation	26,696
(Increase) in inventories	(4,988)
Increase in accounts payable	12,345
Net cash used by operating activities	<u><u>\$ (146,533)</u></u>
Reconciliation of cash and cash equivalents at year end to specific assets included on Statement of Net Assets:	
Current assets:	
Cash and investments	\$ 68,345
Cash and cash equivalents at year end	<u><u>\$ 68,345</u></u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2007, the District received federal commodities valued at \$40,439.

See notes to financial statements.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2007

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Cash and pooled investments	\$ 116,434	7,769
Total assets	116,434	7,769
Liabilities		
Accounts payable	-	7,769
Total liabilities	-	7,769
Net assets		
Reserved for scholarships	116,434	-
Total net assets	\$ 116,434	-

See notes to financial statements.

Exhibit K

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year ended June 30, 2007

	<u>Private Purpose Trust Scholarship</u>
Additions:	
Local sources:	
Gifts and contributions	\$ 26,374
Interest income	4,827
Total additions	<u>31,201</u>
Deductions:	
Support services:	
Scholarships awarded	<u>27,250</u>
Change in net assets	3,951
Net assets beginning of year	<u>112,483</u>
Net assets end of year	<u><u>\$ 116,434</u></u>

See notes to financial statements.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

(1) Summary of Significant Accounting Policies

The Dallas Center-Grimes Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the cities of Dallas Center and Grimes, Iowa, and the predominate agricultural territory in Dallas County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Dallas Center-Grimes Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District.

Dallas Center-Grimes Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Dallas County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, including instructional, support and other costs.

The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The Physical Plant and Equipment Levy Fund is used to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for in a separate fund.

The District's proprietary funds consist of two Enterprise funds: School Nutrition and School Farm Account. These funds are used to account for the food service operations and farm rental operations of the District.

The District also reports fiduciary funds which focus on net assets and changes in net assets. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the "economic resources measurement focus" and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary funds of the District apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable – Property tax in the governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the Government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2005 assessed property valuations; is for the tax accrual period July 1, 2006 through June 30, 2007 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2006.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expense when consumed rather than when purchased or received.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business type activities columns in the Government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 2,000
Buildings	10,000
Improvements other than buildings	10,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	1,000

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year end.

Deferred revenue on the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Long-term Liabilities – In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

Restricted Net Assets – In the Government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2007, expenditures did not exceed the amounts budgeted.

(2) **Cash and Pooled Investments**

The District's deposits in banks at June 30, 2007 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2007, the District had investments in the Iowa Schools Joint Investment Trust as follows:

Diversified Portfolio	\$1,134,249
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The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Credit risk. The investments in the Iowa Schools Joint Investment Trust were both rated Aaa by Moody's Investors Service.

(3) **Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2007 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects	<u>\$2,653,606</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
June 30, 2007

(4) Capital Assets

Capital assets activity for the year ended June 30, 2007 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,462,000	293,017	-	1,755,017
Construction in progress	612,160	1,277,587	612,160	1,277,587
Total capital assets not being depreciated	2,074,160	1,570,604	612,160	3,032,604
Capital assets being depreciated:				
Buildings	30,383,555	-	-	30,383,555
Improvements other than buildings	1,436,448	-	-	1,436,448
Furniture and equipment	2,293,475	651,681	-	2,945,156
Total capital assets being depreciated	34,113,478	651,681	-	34,765,159
Less accumulated depreciation for:				
Buildings	4,052,061	646,352	-	4,698,413
Improvements other than buildings	424,039	47,078	-	471,117
Furniture and equipment	1,528,920	271,617	-	1,800,537
Total accumulated depreciation	6,005,020	965,047	-	6,970,067
Total capital assets being depreciated, net	28,108,458	(313,366)	-	27,795,092
Governmental activities capital assets, net	\$ 30,182,618	1,257,238	612,160	30,827,696
Business type activities:				
Furniture and equipment	\$ 342,634	1,406	-	344,040
Less accumulated depreciation	115,148	26,696	-	141,844
Business type activities capital assets, net	\$ 227,486	(25,290)	-	202,196
Depreciation expense was charged by the District as follows:				
Governmental activities:				
Instruction:				
Regular				\$ 213,521
Special				4,246
Other				534,003
Support services:				
Student support				2,080
Instructional staff				83,428
Administration				51,453
Operation and maintenance of plant				5,620
Transportation				70,696
				965,047
Unallocated depreciation				-
Total governmental activities depreciation expense				\$ 965,047
Business type activities:				
Food services				\$ 26,696

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
June 30, 2007

(5) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2007 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Refunded	Balance End of Year	Due Within One Year
General obligation bonds	\$ 24,865,000	85,000	895,000	-	24,055,000	1,005,000
Revenue bonds	2,475,000	1,420,000	2,524,786	-	1,370,214	558,915
Capital loan note	-	800,000	-	-	800,000	145,000
Early retirement	160,273	71,946	55,906	-	176,313	51,546
Total	\$ 27,500,273	2,376,946	3,475,692	-	26,401,527	1,760,461

General Obligation Bonds Payable

Details of the District's June 30, 2007 general obligation bonded indebtedness are as follows:

Year ending June 30,	Bond Issue of November 1, 2002			Bond Issue of July 1, 2004		
	Interest Rate %	Principal	Interest	Interest Rate %	Principal	Interest
2008	3.00	\$ 160,000	257,032	3.25	10,000	142,843
2009	3.00	200,000	252,232	3.50	10,000	142,517
2010	5.00	210,000	246,232	3.75	10,000	142,168
2011	5.00	230,000	235,732	4.10	10,000	141,792
2012	5.00	240,000	224,232	4.25	10,000	141,383
2013	4.00	250,000	212,232	4.25	10,000	140,957
2014	3.70	260,000	202,232	4.30	10,000	140,533
2015	3.85	275,000	192,612	4.30	10,000	140,102
2016	4.00	285,000	182,025	4.30	10,000	139,673
2017	4.10	305,000	170,625	4.40	10,000	139,242
2018	4.15	315,000	158,120	4.45	10,000	138,803
2019	4.25	325,000	145,047	4.50	10,000	138,357
2020	4.30	345,000	131,235	4.55	10,000	137,908
2021	4.40	1,275,000	116,400	4.65	10,000	137,452
2022	4.50	1,340,000	60,300	4.75	5,000	136,988
2023	-	-	-	5.00	1,335,000	136,750
2024	-	-	-	5.00	1,400,000	70,000
		\$ 6,015,000	2,786,288		2,880,000	2,307,468

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
June 30, 2007

Year ending June 30,	Bond Issue of April 1, 2005			Bond Issue of June 1, 2006		
	Interest Rate %	Principal	Interest	Interest Rate %	Principal	Interest
2008	2.60	\$ 590,000	292,200	3.900	160,000	260,090
2009	2.70	575,000	276,860	3.900	160,000	253,850
2010	2.90	590,000	261,335	3.900	160,000	247,610
2011	3.00	600,000	244,225	3.900	165,000	241,370
2012	3.10	620,000	226,225	3.900	175,000	234,935
2013	3.20	640,000	207,005	3.900	180,000	228,110
2014	3.30	665,000	186,525	3.900	185,000	221,090
2015	3.40	680,000	164,580	3.950	195,000	213,875
2016	3.50	700,000	141,460	4.000	205,000	206,173
2017	3.60	735,000	116,960	4.050	195,000	197,972
2018	3.70	765,000	90,500	4.100	200,000	190,075
2019	3.80	790,000	62,195	4.100	215,000	181,875
2020	3.90	825,000	32,175	4.125	220,000	173,060
2021	-	-	-	4.150	90,000	163,985
2022	-	-	-	4.200	90,000	160,250
2023	-	-	-	4.200	165,000	156,470
2024	-	-	-	4.200	170,000	149,540
2025	-	-	-	4.200	1,650,000	142,400
2026	-	-	-	4.250	1,720,000	73,100
		<u>\$ 8,775,000</u>	<u>2,302,245</u>		<u>6,300,000</u>	<u>3,695,830</u>

Year ending June 30,	Bond issue of May 1, 2007			Total		
	Interest Rate %	Principal	Interest	Principal	Interest	Total
2008	4.75	\$ 85,000	4,038	\$ 1,005,000	956,203	1,961,203
2009	-	-	-	945,000	925,459	1,870,459
2010	-	-	-	970,000	897,345	1,867,345
2011	-	-	-	1,005,000	863,119	1,868,119
2012	-	-	-	1,045,000	826,775	1,871,775
2013	-	-	-	1,080,000	788,304	1,868,304
2014	-	-	-	1,120,000	750,380	1,870,380
2015	-	-	-	1,160,000	711,169	1,871,169
2016	-	-	-	1,200,000	669,331	1,869,331
2017	-	-	-	1,245,000	624,799	1,869,799
2018	-	-	-	1,290,000	577,498	1,867,498
2019	-	-	-	1,340,000	527,474	1,867,474
2020	-	-	-	1,400,000	474,378	1,874,378
2021	-	-	-	1,375,000	417,837	1,792,837
2022	-	-	-	1,435,000	357,538	1,792,538
2023	-	-	-	1,500,000	293,220	1,793,220
2024	-	-	-	1,570,000	219,540	1,789,540
2025	-	-	-	1,650,000	142,400	1,792,400
2026	-	-	-	1,720,000	73,100	1,793,100
		<u>\$ 85,000</u>	<u>4,038</u>	<u>\$ 24,055,000</u>	<u>11,095,869</u>	<u>35,150,869</u>

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS June 30, 2007

Revenue Bonds Payable

Details of the District's June 30, 2007 local option sales and services tax revenue bonded indebtedness are as follows:

Year ending June 30,	Bond Issue of June 12, 2007			
	Interest Rate %	Principal	Interest	Total
2008	4.07	\$ 558,915	41,706	600,621
2009	4.07	642,201	21,128	663,329
2010	4.07	169,098	3,751	172,849
		<u>\$ 1,370,214</u>	<u>66,585</u>	<u>1,436,799</u>

The local option sales and services tax revenue bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the local option sales and services tax revenues received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District.

The resolution providing for the issuance of the local option sales and services tax revenue bonds includes the following provisions:

- a) The bonds will only be redeemed from the future earnings of the local option sales tax revenues received by the District and the bond holders hold a lien on the future revenues received.
- b) As a requirement of the bond issue, ten percent of the \$4,900,000 bond proceeds are to be held in a restricted account as required by the Security and Source Payments section of the agreement.

(6) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual salary and the District is required to contribute 5.75% of annual covered payroll for the years ended June 30, 2007, 2006, and 2005. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2007, 2006 and 2005, were \$464,731, \$476,997, and \$389,961, respectively, equal to the required contributions for each year.

(7) Termination Benefits

The District offers a voluntary early retirement plan to its full-time, certified employees. Eligible employees must be at least age fifty-five and must have completed fifteen years of continuous service to the District, except for administrators who must have completed ten years. Employees must complete an application which is subject to approval by the Board of Education. The benefits are arrived at by taking the average salary over the last fifteen years times a percentage at the time of early retirement. The percentage starts at 25% at age 55 and decreases each year to 0% at age 65. Early retirement expenditures for the year ended June 30, 2007 totaled \$55,906.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

(8) Risk Management

Dallas Center-Grimes Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(9) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$483,562 for the year ended June 30, 2007 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(10) Construction Commitment

The District has entered into various contracts totaling \$7,210,000 for the construction of a new elementary building. As of June 30, 2007, costs of \$1,277,587 had been incurred against the contracts. The balance of \$5,932,413 remaining at June 30, 2007 will be paid as work on the project progresses.

(11) Related Party Transaction

The District had business transactions totaling \$31,084 between the District and District officials during the year ended June 30, 2007.

(12) Restatements

Due to an error in reporting of accrued payroll costs, the beginning fund balance of the General fund has been adjusted up \$54,567.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

Required Supplementary Information

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL
FUNDS AND PROPRIETARY FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2007

	Governmental Funds Actual	Proprietary Funds Actual
Revenues:		
Local sources	\$ 11,230,371	626,421
Intermediate sources	-	-
State sources	6,619,458	7,756
Federal sources	286,065	151,723
Total revenues	<u>18,135,894</u>	<u>785,900</u>
Expenditures:		
Instruction	8,770,810	-
Support services	4,446,616	-
Non-instructional programs	-	844,080
Other expenditures	7,930,945	-
Total expenditures	<u>21,148,371</u>	<u>844,080</u>
Excess (deficiency) of revenues over (under) expenditures	(3,012,477)	(58,180)
Other financing sources, net	<u>2,305,000</u>	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(707,477)	(58,180)
Balance beginning of year, as restated	<u>10,862,934</u>	<u>337,077</u>
Balance end of year	<u>\$ 10,155,457</u>	<u>278,897</u>

See accompanying independent auditor's report.

Total Actual	Budgeted Amounts		Final to Actual Variance-Favorable (Unfavorable)
	Original	Final	
11,856,792	12,110,025	12,110,025	(253,233)
-	9,753	9,753	(9,753)
6,627,214	6,544,473	6,544,473	82,741
437,788	317,286	317,286	120,502
18,921,794	18,981,537	18,981,537	(59,743)
8,770,810	8,662,733	9,112,733	341,923
4,446,616	4,654,573	4,654,573	207,957
844,080	635,100	960,100	116,020
7,930,945	9,452,346	8,677,346	746,401
21,992,451	23,404,752	23,404,752	1,412,301
(3,070,657)	(4,423,215)	(4,423,215)	1,352,558
2,305,000	6,500,000	6,500,000	(4,195,000)
(765,657)	2,076,785	2,076,785	(2,842,442)
11,200,011	3,213,165	3,213,165	7,986,846
10,434,354	5,289,950	5,289,950	5,144,404

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
Year ended June 30, 2007

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment reallocating budgeted expenditures between functions.

During the year ended June 30, 2007, expenditures did not exceed the amounts budgeted.

Other Supplementary Information

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 June 30, 2007

	Management Levy	Student Activity	Total
Assets			
Cash and pooled investments	\$ 456,819	153,740	610,559
Receivables:			
Property tax:			
Current year delinquent	830	-	830
Succeeding year	325,000	-	325,000
Total assets	\$ 782,649	153,740	936,389
Liabilities and Fund Equity			
Liabilities:			
Accounts Payable	\$ 297	1,400	1,697
Early retirement payable	51,546	-	51,546
Deferred revenue:			
Succeeding year property tax	325,000	-	325,000
Total liabilities	376,843	1,400	378,243
Fund equity:			
Unreserved, undesignated fund balance	405,806	152,340	558,146
Total liabilities and fund equity	\$ 782,649	153,740	936,389

See accompanying independent auditor's report.

Schedule 2

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 Year ended June 30, 2007

	Management Levy	Student Activity	Total
Revenues:			
Local sources:			
Local tax	\$ 154,008	-	154,008
Other	16,157	473,094	489,251
State sources	39	-	39
Federal sources	-	-	-
Total revenues	170,204	473,094	643,298
Expenditures:			
Current:			
Instruction:			
Regular instruction	68,717	-	68,717
Other instruction	-	445,132	445,132
Support Services:			
Administration services	-	-	-
Operation and maintenance of plant services	229,252	-	229,252
Transportation services	20,003	-	20,003
Other expenditures:			
Facilities acquisition	-	-	-
Total expenditures	317,972	445,132	763,104
Excess (deficiency) of revenues over (under) expenditures	(147,768)	27,962	(119,806)
Fund balance beginning of year	553,574	124,378	677,952
Fund balance end of year	\$ 405,806	152,340	558,146

See accompanying independent auditor's report.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
 Year ended June 30, 2007

Account	Balance Beginning of Year	Revenues	Expenditures	Transfers	Balance end of Year
Annuals	\$ 144	7,849	3,976	-	4,017
Art Club	68	-	-	-	68
Athletics	4,047	42,196	38,102	(7,500)	641
Athletics Resale	6,649	16,508	20,362	742	3,537
HS Band Fundraiser	4,561	48,892	48,954	-	4,499
HS Band Resale	548	5,924	7,703	-	(1,231)
Baseball	-	1,918	9,268	7,800	450
Boosters	-	29,534	24,423	(4,530)	581
Boys/Girls Basketball	5,928	30,530	26,459	(1,000)	8,999
Camps and Clinics	10,217	39,170	26,070	(5,247)	18,070
Character Counts	-	309	115	-	194
Class of:					
2005	444	-	-	-	444
2006	678	6	757	73	-
2007	1,623	391	2,361	347	-
2008	4,655	2,788	4,491	-	2,952
2009	2,460	2,100	-	-	4,560
2010	216	2,480	-	-	2,696
Co-ed Track	267	6,544	6,226	-	585
Cross Country	-	876	1,060	500	316
DC Memorial Bricks	2,393	30	-	-	2,423
DC Presbyt Student Emerg Fund	3,948	29	1,037	58	2,998
Debate	-	366	366	-	-
Debate League	-	500	501	150	149
Drama	1,620	968	1,238	-	1,350
Drill Team	319	-	-	-	319
Football	163	35,316	30,537	(2,470)	2,472
French Club	465	250	240	-	475
FFA	7,746	14,872	15,123	-	7,495
FHA	927	781	503	-	1,205
Girls Softball	169	3,898	7,303	3,600	364
Golf	-	38	2,409	2,500	129
HS Student Council	4,245	4,729	3,311	-	5,663
HS Honor Society	-	435	598	163	-
HS Cheerleading	1,285	-	2,162	877	-
HS Juice/Pop Machine	2,536	3,788	6,082	(163)	79
HS Sign-Monument Fundraiser	2,356	3,484	-	-	5,840
HS Vocal Fundraiser	65	110	-	-	175
HS Vocal Registration	-	3,235	3,235	-	-
Horticulture Club	826	248	520	-	554
Interest	275	4,024	30	(2,984)	1,285
Mid Iowa Soccer	190	10,859	13,768	2,750	31
Miscellaneous	-	-	-	-	-
Musical	5,075	3,211	3,584	-	4,702
Mustang Statue Fundraiser	-	3,710	-	-	3,710
P.A.L.S.	372	-	-	-	372
Picture Fund	1,201	7,161	6,866	-	1,496
SADD	750	-	200	-	550

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
 Year ended June 30, 2007

Account	Balance Beginning of Year	Revenues	Expenditures	Transfers	Balance end of Year
Spanish Club	6,704	-	-	-	6,704
Volleyball	-	4,454	6,199	1,800	55
Washington DC fundraiser	301	27,367	26,491	400	1,577
Wind Commissioning Project	1,000	-	-	-	1,000
Wrestling	633	7,113	7,627	120	239
Jr. High Annual	1,657	5,347	9,418	2,414	-
Jr. High Cheerleading	5,758	36	3,937	-	1,857
Jr. High Juice/Pop Machine	2,493	17,051	15,899	-	3,645
Jr. High Student Council	1,651	2,418	2,212	(400)	1,457
MS Athletics	2,079	4,152	-	-	6,231
MS Band Fundraiser	3,368	32,703	31,078	-	4,993
MS Band Resale	30	8,789	4,723	60	4,156
MS Musical	-	-	447	447	-
MS Vocal Fundraiser	-	2,476	1,068	(107)	1,301
MS Vocal Registration	-	400	-	(400)	-
Elementary Band Resale	384	902	837	-	449
Elementary Vocal Resale	-	48	48	-	-
Spec underwriters Equip repair	3	3,103	1,680	-	1,426
Elementary Fundraiser - Grimes	-	933	-	-	933
Elementary Fundraiser - D.C.	5,783	4,283	3,083	-	6,983
Elementary Juice Fund	13,103	10,206	9,144	(45)	14,120
Elementary Student Council	-	1,256	1,301	45	-
Total	\$ 124,378	473,094	445,132	-	152,340

See accompanying independent auditor's report.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF NET ASSETS
 PROPRIETARY FUNDS
 June 30, 2007

	Enterprise Funds		
	School Nutrition	Farm Account	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 64,459	3,886	68,345
Inventories	20,843	-	20,843
Total current assets	85,302	3,886	89,188
Non-current assets:			
Machinery and equipment	344,040	-	344,040
Accumulated depreciation	(141,844)	-	(141,844)
Total non-current assets	202,196	-	202,196
Total assets	287,498	3,886	291,384
Liabilities			
Current liabilities:			
Accounts payable	12,487	-	12,487
Total current liabilities	12,487	-	12,487
Net assets			
Invested in capital assets, net of related debt	202,196	-	202,196
Unrestricted	72,815	3,886	76,701
Total net assets	\$ 275,011	3,886	278,897

See accompanying independent auditor's report.

Schedule 5

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 NET ASSETS - PROPRIETARY FUNDS
 Year ended June 30, 2007

	Enterprise Funds		
	School Nutrition	Farm Account	Total
Operating revenue:			
Local sources:			
Other local sources:			
Food service sales	\$ 618,423	-	618,423
Other revenue	4,228	404	4,632
Total operating revenues	622,651	404	623,055
Operating expenses:			
Non-instructional programs:			
Food services operations:			
Salaries	66,669	-	66,669
Benefits	23,324	-	23,324
Services	680,590	-	680,590
Supplies	43,150	-	43,150
Depreciation	26,696	-	26,696
Farm rental operations:			
Supplies	-	3,651	3,651
Total operating expenses	840,429	3,651	844,080
Operating loss	(217,778)	(3,247)	(221,025)
Non-operating revenue:			
Interest on investments	3,366	-	3,366
State lunch and breakfast program claims	7,756	-	7,756
National School Lunch Program	100,443	-	100,443
School Breakfast Program	10,841	-	10,841
Federal food commodities revenue	40,439	-	40,439
Total non-operating revenues	162,845	-	162,845
Net loss	(54,933)	(3,247)	(58,180)
Net assets beginning of year	329,944	7,133	337,077
Net assets end of year	\$ 275,011	3,886	278,897

See accompanying independent auditor's report.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF CASH FLOWS
 PROPRIETARY FUNDS
 Year ended June 30, 2007

	Enterprise Funds		
	School Nutrition	Farm Account	Total
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ 618,423	-	618,423
Cash received from miscellaneous operating activities	4,228	404	4,632
Cash payments to employees for services	(89,993)	-	(89,993)
Cash payments to suppliers for goods or services	(675,944)	(3,651)	(679,595)
Net cash used by financing activities	(143,286)	(3,247)	(146,533)
Cash flows from non-capital financing activities:			
State grants received	7,756	-	7,756
Federal grants received	111,284	-	111,284
Net cash provided by non-capital financing activities	119,040	-	119,040
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(1,406)	-	(1,406)
Cash flows from investing activities:			
Interest on investments	3,366	-	3,366
Net increase in cash and cash equivalents	(22,286)	(3,247)	(25,533)
Cash and cash equivalents at beginning of year	86,745	7,133	93,878
Cash and cash equivalents at end of year	\$ 64,459	3,886	68,345
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (217,778)	(3,247)	(221,025)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Commodities received	40,439	-	40,439
Depreciation	26,696	-	26,696
Increase in inventories	(4,988)	-	(4,988)
Increase in payables	12,345	-	12,345
Net cash used by operating activities	\$ (143,286)	(3,247)	(146,533)
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:			
Current assets:			
Cash and investments	\$ 64,459	3,886	68,345
Cash and cash equivalents at year end	\$ 64,459	3,886	68,345

Non-cash investing, capital and financing activities:

During the year ended June 30, 2007, the District received federal commodities valued at \$40,439.

See accompanying independent auditor's report.

Schedule 7

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUND
 Year ended June 30, 2007

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash	\$ 5,673	67,854	65,758	7,769
Total assets	\$ 5,673	67,854	65,758	7,769
Liabilities				
Accounts payable	\$ 5,673	67,854	65,758	7,769
Total liabilities	\$ 5,673	67,854	65,758	7,769

See accompanying independent auditor's report.

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUNDS
FOR THE LAST SIX YEARS

	Modified Accrual Basis					
	2007	2006	2005	2004	2003	2002
Revenues:						
Local sources:						
Local tax	\$ 9,082,518	8,307,448	7,758,249	7,252,099	6,885,291	5,639,466
Tuition	856,003	762,661	551,096	495,100	391,003	314,990
Other	1,291,850	749,178	853,784	588,265	763,894	1,239,438
Intermediate sources	-	-	9,160	4,994	3,703	12,781
State sources	6,619,458	6,250,822	5,759,194	5,491,763	5,412,384	5,528,870
Federal sources	286,065	183,603	190,888	188,262	136,033	91,365
Total	<u>\$ 18,135,894</u>	<u>16,253,712</u>	<u>15,122,371</u>	<u>14,020,483</u>	<u>13,592,308</u>	<u>12,826,910</u>
Expenditures:						
Instruction:						
Regular instruction	\$ 5,628,941	5,164,281	4,836,598	4,703,605	4,400,590	4,525,336
Special instruction	2,007,372	2,283,500	1,726,074	1,431,814	1,415,187	1,162,614
Other instruction	1,134,497	520,020	833,671	732,951	722,347	803,495
Support services:						
Student services	313,631	262,652	274,129	295,459	287,944	276,579
Instructional staff services	641,692	607,481	596,483	504,541	517,441	488,846
Administration services	1,105,159	1,020,140	996,449	888,813	912,383	872,157
Operation and maintenance of plant services	1,701,335	1,540,756	1,448,043	1,313,900	1,180,972	914,528
Transportation services	684,799	677,594	705,590	525,324	397,907	379,505
Central support services	-	-	-	6,484	17,002	-
Other expenditures:						
Facilities acquisition	2,855,622	1,830,565	4,100,500	5,399,710	2,516,067	6,942,125
Long-term debt:						
Principal	3,419,786	1,475,000	1,090,000	925,000	950,000	900,000
Interest and other charges	1,171,975	1,053,011	1,115,523	1,165,404	815,501	865,061
AEA flowthrough	483,562	445,711	412,728	405,946	419,009	409,628
Total	<u>\$ 21,148,371</u>	<u>16,880,711</u>	<u>18,135,788</u>	<u>18,298,951</u>	<u>14,552,350</u>	<u>18,539,874</u>

See accompanying independent auditor's report.

**Van Maanen
& ASSOCIATES, P.C.**

Certified Public Accountants

705 Main St.
Pella, IA 50219
641-628-3737

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance
and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Education of
Dallas Center-Grimes Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Dallas Center-Grimes Community School District, Dallas Center-Grimes, Iowa, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements listed in the table of contents and have issued our report thereon dated September 24, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Dallas Center-Grimes Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Dallas Center-Grimes Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Dallas Center-Grimes Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We identified no deficiencies in internal control over financial reporting that we consider to be significant deficiencies and no deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Dallas Center-Grimes Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Dallas Center-Grimes Community School District's financial statements that is more than inconsequential will not be prevented or detected by Dallas Center-Grimes Community School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Dallas Center-Grimes Community School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dallas Center-Grimes Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2007 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Dallas Center-Grimes Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the District's responses, we did not audit Dallas Center-Grimes Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Dallas Center-Grimes Community School District and other parties to whom Dallas Center-Grimes Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Dallas Center-Grimes Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Van Maanen & Associates, P.C.

Van Maanen & Associates, P.C.
Certified Public Accountants

September 24, 2007

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS

Year ended June 30, 2007

Part I: Summary of the Independent Auditor's Results

- (a) Unqualified opinions were issued on the financial statements.
- (b) The audit did not disclose any significant deficiencies in internal control over financial reporting.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE

No matters were noted.

SIGNIFICANT DEFICIENCIES

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards

Not applicable since less than \$500,000 in federal awards.

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-07 Certified Budget - Disbursements for the year ended June 30, 2007, did not exceed the amounts budgeted.
- IV-B-07 Questionable Expenditures - No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-07 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-07 Business Transactions - Business transactions between the District and District officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Jim Sinclair, Brother to Superintendent, Sinclair Painting	Painting Services	\$27,910
Lakes Printing, Parents of Elementary principal Ann Bass	Printing Services	1,090

DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS

Year ended June 30, 2007

Continued from previous page

<u>Name, Title and Transaction Business Connection</u>	<u>Description</u>	<u>Amount</u>
McDonald, Brown, and Fagen Husband of elementary principal Marsha Fagen	Legal Services	60
Adam Goldsmith, Son of Board Member Leann Goldsmith	Services	1,000
Barb Rothfus, Wife of Board Member Doug Rothfus	Substitute Teacher	1,024

None of the transactions appear to be a conflict of interest and they appear to be in compliance with board policies.

Recommendation - The District may want to consult legal counsel to determine disposition of this matter.

Response - We will consider the need to consult with legal counsel.

Conclusion - Response accepted.

- IV-E-07 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-07 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-G-07 Certified Enrollment - No variances were noted in the basic enrollment data certified to the Department of Education.
- IV-H-07 Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.
- IV-I-07 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.